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C O N F I D E N T I A L SECTION 01 OF 02 BERLIN 001093

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TAGS: [PGOV](#) [PREL](#) [GM](#)

SUBJECT: GERMANY'S SOCIAL DEMOCRATS ON THE EDGE OF ...  
RECOVERY?

REF: (A) BERLIN 747 AND PREVIOUS (B) HAMBURG 35

Classified By: PolCouns John Bauman. Reason: 1.4(b) and (d)

11. (C) Summary. Germany's Social Democratic Party (SPD) is showing early signs of a recovery after six months of declining fortunes. Though polls do not yet indicate a shift in the public mood, party leaders are taking steps to reassert discipline and unify the party; some party themes seem to be catching on; the change of government in Bremen has refreshed a party tired of Grand Coalitions; and even the media is showing early signs of tiring of its "bash-the-SPD" headlines of the last six months. With Chancellor Merkel losing her EU pulpit and with a new SPD program due to be launched in the fall, the prospects are good for at least some recovery in the SPD's fortunes. End Summary.

No Way But Up?  
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12. (C) Kerstin Griesse, MdB, one of the leaders of the SPD's centrist "Network" group, jokingly told us that the party's mood and opinion poll standings have been so low there is no way to go but up. But she went on to introduce several concerted steps the SPD has taken that she believes will quiet the party's internal squabbles and reimpose discipline.

First among these was Chairman Beck's decision to reduce to three the number of party Deputy Chairmen and to fill those slots with three publicly prominent figures - Finance Minister Peer Steinbrueck party left-wing leader Andrea Nahles, and Foreign Minister Frank-Walter Steinmeier. The move garnered several days of largely positive press coverage, and was widely applauded in SPD circles. Griesse also reported that SPD Bundestag caucus Chief Struck is making an all-out effort to ensure maximum party discipline when the vote to renew Germany's Afghanistan mandates comes up in the fall. Struck is encouraging fact-finding travel to Afghanistan by Bundestag members and is pressing the issue within the Bundestag. Griesse is confident that the number of SPD defections will be much lower than the 69 recorded for the Tornado deployment vote in April. She also noted that the number of "nos" in the SPD caucus on the government's corporate tax reform plans was lower (about 20) than expected.

13. (C) The party has also found one theme that has struck a chord with the public and which also unites all strands of the party: introducing a minimum wage. Benjamin Mikfeld, chief for planning and programs at SPD headquarters, noted that the SPD had succeeded in making this a major theme at May Day rallies, somewhat eclipsing the union-led campaign against raising the retirement age to 67. The SPD is now opening a public relations campaign on the issue. The SPD's new chief for domestic policy, Stefan Ramge, also reported that the party now plans to launch a new push on the environment and energy policy, linking it to job creation as well. Just before the summer holidays, on June 23, the party will hold a "Future Congress" in Hanover to showcase these

and other policies and to outline the party's new "Basic Program." Though our contacts tell us they do not believe the missile defense/disarmament campaign launched by party Chairman Beck has much staying power, the party clearly feels that it is worth the effort in the near term, and at a minimum it is worthwhile for the SPD to balance its support for the less popular Afghanistan mandates with a disarmament message. In October, the SPD will have another opportunity to dominate headlines, when the party convention meets in Hamburg to adopt the new Basic Program and elect/re-elect the party leadership.

14. (C) While not a major issue over the long term, the national SPD has also welcomed the Bremen party's decision to end its twelve-year Grand Coalition in favor of an SPD-Greens coalition. As Ref B notes, this move serves several SPD agendas. Our contacts also suggest that German media, whose coverage of party politics tends to swing irregularly, is likely ready for a change. Mikfeld noted that the media had greeted Beck's accession a year ago with a series of positive stories, and that the most recent coverage (of, for example, the leadership reshuffle) had been positive. In an interview published May 26 in "Der Spiegel," Beck dealt aggressively with the Left Party and questions about his own leadership, and defended the SPD's role in the Grand Coalition while criticizing the CDU/CSU on several policy issues. Our SPD contacts also suggest that the end of the EU Presidency offers the SPD an opportunity to get back into the headlines -- Steinmeier's elevation to the party leadership can help in this regard.

Realism

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15. (C) No one is predicting a reversal of fortunes. Griesse told us she did not expect the SPD to win either the Lower Saxony or Hesse elections in January; this is the view of our other contacts as well. Ramge held out some hope for SPD success in Hamburg, but acknowledged that Minister-President von Beust is personally very popular. Mikfeld admitted that as long as the CDU's von der Leyen was in charge of family policy, the SPD could gain little traction, even though the daycare ideas she has espoused had originally come from the SPD. He also accepts that the CDU and Merkel will get the lion's share of credit for Germany's good economic performance over the last year. The CDU will also hold its own convention and adopt a new Basic Program in December. The party also acknowledges the threat of the new Left Party (at 12 percent in one recent poll) among some of its traditional core constituents and has yet to develop a strategy for responding to it. Nonetheless, all our contacts were optimistic that the relative decline of the SPD could be halted and reversed.

Comment

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16. (C) We would agree that the timing and factors for an SPD upswing are in place. The success of a new SPD offensive will lie as much in the hands of the media as in its own, of course. News cycles in the German media do seem to coincide with the holiday schedule, so it is important to keep in mind that there are many holidays between now and 2009 and there may be as many twists and turns in media appraisals of the SPD (and CDU/CSU). End Comment.

TIMKEN JR